![Longbow]

Case Study:

WMS – Kraft Heinz Comingle

![Rebus]

The Company

When Kraft Foods Group and Heinz merged, it created the world's fifth-largest food and beverage company, and the third largest in the U.S.

In 2015 Kraft Heinz had 13 different products with $500 million or more each in annual sales, including such iconic brands as Kraft Dinner, Heinz Ketchup, Oscar Mayer meats, Philadelphia Cream Cheese, Kool-Aid, Jell-O, Maxwell House Coffee, Planters Nuts, and Weight Watchers.

As part of its broad-based and ongoing commitment to supporting the community, the company operates The Kraft Heinz Company Foundation, dedicated to improving nutrition, fostering healthy communities, and promoting diversity in areas where company employees live and work. As well, the company supports a number of community programs and initiatives through the U.S. and across the globe.

The Situation

At the time of the merger, the company had two Kraft distribution centers in Atlanta, GA and Columbus, OH, that were each running the same WMS. The decision was made to enhance the WMS system at both facilities so that they could handle Heinz products as well.

Integrating Heinz products into what were up until then Kraft-only distribution facilities would resolve several logistical and customer service related issues.

It would allow the company to close a 300,000 square foot Heinz DC located near the Atlanta facility, thereby reducing its costs. It would also enable customers to order any combination of Kraft and Heinz products without having to deal with two different warehouse locations, truck delivers, and tracking systems.

As well, it would cut the company's transportation costs in those areas served by the Columbus DC, where there was no Heinz facility nearby.

Call the project "Comingle", Kraft Heinz turned to Longbow Advantage to design and install the required WMS enhancement.

The Challenges

One of the major challenges was the short timelines of the project. Kraft Heinz wanted to have the enhancement designed, coded, installed, tested, and running live within 6 months. This was a quick timeframe for a project of this scope and complexity.

The main technical challenge was integrating the Heinz batch management system into the WMS. The Heinz system had product manufacturing and expiry dates embedded into its batch codes, which was an entirely different system from the one used by Kraft. All the compliance that allowed for the processing of Kraft and Heinz products could be managed side-by-side on the same warehouse floor.

"Longbow supported us in every possible way throughout the project. They're really great people to have on your side."

- Dan Cummins, Associate Manager, IT Logistics Global, The Kraft Heinz Company

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The Process

Kraft had used Longbow's services for a number of years when it brought the company in for the WMS enhancement, and was therefore familiar with Longbow's deep knowledge of WMS systems. Kraft Heinz also wanted to leverage Longbow's proven ability to create efficient, well designed, WMS enhancements.

And Longbow Delivered exactly what Kraft Heinz needed.

Longbow's developers enhanced the WMS to:

- recognize all the Heinz batch and product codes
- receive, store, pick, and ship all Heinz products
- be transparent to the IBM middleware that enabled communication between the WMS and the SAP ERP host system that was running the DC
- not disturb or break any existing functionality within the seven EDI transactions used by the WMS and SAP ERP to manage product movement in and out of the warehouse
- not introduce any new steps or procedures on the warehouse floor
- retain the existing warehouse product allocation logic
- integrate Heinz inventory into the facility's RF scanning devices, reports, and screens

The Results

Longbow started work on the project in mid January of 2016 and had developed, coded, and installed the enhancement by March. Because Longbow's work was done so quickly, it allowed Kraft Heinz extra time for testing which was precisely what the company wanted.

With their extensive knowledge of Warehouse Operations and WMS architecture and functionality, Longbow was able to contain all of the modification within the WMS system. This meant that there were no 'ripple effects' that would require changes to the middleware or the SAP ERP host system. It was the most efficient approach possible, and it worked exactly as planned.

The EDI transactions were re-engineered to handle the Heinz codes in a way that was transparent to the middle ware. No extra EDI transactions were added and their basic structure, in terms or trigger points and other technical requirements, were left unchanged.

None of the pre-existing warehouse functionality was affected by Longbow's enhancement. No extra steps or complexity were introduced, and shipping logic of the warehouse were maintained.

The Results Continued

Longbow's solutions was also created with the future in mind. Aware that Kraft Heinz was considering introducing a batch management system for its Kraft products at some time in the future, Longbow developed the enhancement so that it would be easy for the company to institute that change when the time came.

"I would not hesitate for a second to bring in Longbow for another project. They proved they can deliver for us"

- Dan Cummins, Associate Manager, IT Logistics Global, The Kraft Heinz Company

When Kraft Heinz made a last-minute request of Longbow for an extra support person for the go-live phase, Longbow was able to re-arrange its internal scheduling to make that additional person available on extremely short notice.

Despite tight timeframes, Longbow completed the project ahead of schedule and under budget. The enhancement tested and ran as designed, problem free, and is now live at the Atlanta facility.

About Longbow

At Longbow, our goal is to be your best distribution technology option in the industry. We have worked with some of the largest global companies across industry sectors specializing in warehouse and labor management system implementations and take pride in our work, achieving a 2018 Net Promoter Score of 86. With over 15 years of experience, there aren't too many distribution problems or system challenges we haven't seen – and Solved!

Our Services:

WMS Implementation
Flexible environment that delivers exactly what you need: simplicity, agility, and results.

WMS & LMS Upgrades
We know all the challenges and can deliver a seamless transition from your old system to new.

WMS & LMS Training
Adoption rates for new technology can make or break your investment. We can train your staff to utilize the full potential.

LMS Implementation
Optimize your warehouse efficiency to positively impact your growth, profit, and customer experience

Hosting
We provide the highest level of service for full hosting capabilities, for both test and production environments

Project Management
We help you anticipate and avoid complications at each point of your project lifecycle.

System Integrations
Integrate your new WMS or LMS to ensure effective communications with your host system and specialized applications

Technical Expertise
Solutions are not one size fits all. Technical experts allow you to tailor your application to fit your specific business needs.

Consulting Services
With a flexible approach, we gauge your current IT infrastructure and needs, improve your overall business efficiency, and mitigate any potential risks.

Longbow Advantage, INC.
555 Briarwood Circle, Suite 118
Ann Arbor, MI 48108

info@longbowadvantage.com
www.longbowadvantage.com
(734) 929-1230 x346

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